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**From:** Wang, Gary [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=E0F45B81B7A448C285545E9D3487871E-WANG, LIANG-JANG (GARY)]  
**Sent:** 2/27/2021 12:00:13 AM  
**To:** Hagge, Chris [Chris.Hagge@meritenergy.com]  
**CC:** Lyles, Kat [Kat.Lyles@meritenergy.com]; Brister, Chad [Chad.Brister@meritenergy.com]; Valliquette, Arlene [Arlene.Valliquette@meritenergy.com]  
**Subject:** RE: Underground Injection Control (UIC) ownership/permit transfer requirements from Merit Energy to E. Shoshone & N. Arapaho Tribes

Chris,

Much appreciate the update. Looks like there may be a bit more time for any potential well transfers. Please let us know how you would like to move forward regarding the injection wells, and how we may help out to ensure you meet any required deadlines. Thank you.

Have a good weekend as well.

Gary Wang  
Underground Injection Control Enforcement  
U.S. Environmental Protection Agency, Region 8  
1595 Wynkoop St.  
Denver, CO 80202  
Mailcode: 8ENF-W-SD  
PH: 303-312-6469  
EMAIL: [wang.gary@epa.gov](mailto:wang.gary@epa.gov)

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**From:** Hagge, Chris <Chris.Hagge@meritenergy.com>  
**Sent:** Friday, February 26, 2021 12:57 PM  
**To:** Wang, Gary <wang.gary@epa.gov>  
**Cc:** Lyles, Kat <Kat.Lyles@meritenergy.com>; Brister, Chad <Chad.Brister@meritenergy.com>; Valliquette, Arlene <Arlene.Valliquette@meritenergy.com>  
**Subject:** RE: Underground Injection Control (UIC) ownership/permit transfer requirements from Merit Energy to E. Shoshone & N. Arapaho Tribes

Gary – thank you for your note and sorry for the delayed response. It's been a week. Wanted to give you a head's up that we had what I'd say is a productive call with Tribal representatives yesterday, and I anticipate we're going to have an agreement soon (today/Monday) for an extension of the Lease through April 30. This will allow the parties to continue discussions about transition and possible continued involvement by Merit. Once this is finalized I'll let you know.

Have a good weekend.

Chris

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**From:** Wang, Gary <[wang.gary@epa.gov](mailto:wang.gary@epa.gov)>  
**Sent:** Monday, February 22, 2021 3:08 PM  
**To:** Hagge, Chris <Chris.Hagge@meritenergy.com>  
**Cc:** Lyles, Kat <Kat.Lyles@meritenergy.com>; Brister, Chad <Chad.Brister@meritenergy.com>; Valliquette, Arlene <Arlene.Valliquette@meritenergy.com>  
**Subject:** RE: Underground Injection Control (UIC) ownership/permit transfer requirements from Merit Energy to E. Shoshone & N. Arapaho Tribes

Hi Chris,

Hope you guys are doing well, and bouncing back after last week's crazy weather. I wanted to follow up to see if there's been any additional progress regarding the potential transition of the Circle Ridge Field on the Wind River Reservation?

Per our phone call on Feb. 12<sup>th</sup>, I'll be going into our office tomorrow, and I wanted to check whether you guys may be potentially submitting any P&A plans for the injection wells? I want to ensure that I can conduct a file review of the wells if P&A plans may be coming down the pipeline. Any info would be appreciated and let me know if you have any questions. Thanks.

Gary Wang  
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EMAIL: [wang.gary@epa.gov](mailto:wang.gary@epa.gov)

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**From:** Wang, Gary  
**Sent:** Friday, February 12, 2021 3:04 PM  
**To:** Hagge, Chris <[Chris.Hagge@meritenergy.com](mailto:Chris.Hagge@meritenergy.com)>  
**Cc:** Lyles, Kat <[Kat.Lyles@meritenergy.com](mailto:Kat.Lyles@meritenergy.com)>; Brister, Chad <[Chad.Brister@meritenergy.com](mailto:Chad.Brister@meritenergy.com)>; Valliquette, Arlene <[Arlene.Valliquette@meritenergy.com](mailto:Arlene.Valliquette@meritenergy.com)>  
**Subject:** RE: Underground Injection Control (UIC) ownership/permit transfer requirements from Merit Energy to E. Shoshone & N. Arapaho Tribes

Chris,

I am available for the rest of the day, please feel free to give me a call: 303-312-6469

Gary Wang  
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**From:** Hagge, Chris <[Chris.Hagge@meritenergy.com](mailto:Chris.Hagge@meritenergy.com)>  
**Sent:** Friday, February 12, 2021 2:24 PM  
**To:** Wang, Gary <[wang.gary@epa.gov](mailto:wang.gary@epa.gov)>  
**Cc:** Lyles, Kat <[Kat.Lyles@meritenergy.com](mailto:Kat.Lyles@meritenergy.com)>; Brister, Chad <[Chad.Brister@meritenergy.com](mailto:Chad.Brister@meritenergy.com)>; Valliquette, Arlene <[Arlene.Valliquette@meritenergy.com](mailto:Arlene.Valliquette@meritenergy.com)>  
**Subject:** FW: Underground Injection Control (UIC) ownership/permit transfer requirements from Merit Energy to E. Shoshone & N. Arapaho Tribes

Gary – Arlene forwarded me your email. Would you have time this afternoon for a quick call to make sure we're all on the same page with respect to a potential transition here? Because of the nature of this situation – if Merit isn't the operator and the Tribes haven't agreed to the transfer and posted whatever security they need, Merit may need to shut in the field and, potentially, plug wells. Merit cannot allow continued operations by the Tribes or another designated operator other than Merit to operate under Merit's permits/bonds that would potentially expose Merit to loss/liability.

Christopher S. Hagge  
Vice President, General Counsel

972-628-1648 (work)  
214-577-5806 (cell)

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**From:** Valliquette, Arlene <Arlene.Valliquette@meritenergy.com>  
**Sent:** Friday, February 12, 2021 2:52 PM  
**To:** Lyles, Kat <Kat.Lyles@meritenergy.com>; Hagge, Chris <Chris.Hagge@meritenergy.com>; Brister, Chad <Chad.Brister@meritenergy.com>; Manning, Jason <Jason.Manning@meritenergy.com>  
**Subject:** FW: Underground Injection Control (UIC) ownership/permit transfer requirements from Merit Energy to E. Shoshone & N. Arapaho Tribes

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**From:** Wang, Gary <wang.gary@epa.gov>  
**Sent:** Friday, February 12, 2021 2:41 PM  
**To:** jstclair@easternshoshone.org; Jordan Dresser - Chairman <jordan.dresser@northernarapaho.com>; Valliquette, Arlene <Arlene.Valliquette@meritenergy.com>  
**Cc:** Dinnocenzo, Benjamin <Dinnocenzo.Benjamin@epa.gov>; Brown, Christopher <Brown.Christopher.T@epa.gov>; Cantor, Tiffany <Cantor.Tiffany@epa.gov>; Rathbone, Colleen <Rathbone.Colleen@epa.gov>; Minter, Douglas <Minter.Douglas@epa.gov>; Bowling, Linda <Bowling.Linda@epa.gov>; Ben-Khaled, Monia <Ben-Khaled.Monia@epa.gov>; Clare Johnson <clare.johnson@northernarapaho.com>; mhirschak@rosettela.com; jeffrey.sanders@bia.gov; zane.gordon@bia.gov; Betancourt Castro, Roberto G <Roberto.BetancourtCastro@bia.gov>  
**Subject:** Underground Injection Control (UIC) ownership/permit transfer requirements from Merit Energy to E. Shoshone & N. Arapaho Tribes

Dear Chairman Dresser, Chairman St. Clair, and Ms. Valliquette;

The EPA received inquiries from representatives on behalf of the Eastern Shoshone Tribe, the Northern Arapaho Tribe, and Merit Energy regarding the requirements for the ownership transfer of the injection wells in the Circle Ridge Field. Please find below the requirements for ownership/permit transfer.

The EPA's record show 21 total injection wells in the Circle Ridge field, of which 11 wells are rule -authorized wells and 10 wells are permitted wells. For your regulatory reference, ownership transfer for rule authorized wells are located in 40 C.F.R. 144.28 (I) , and ownership transfer for the permitted wells are located in 40 C.F.R. 144.38 and Part II.B.3 of each of the wells' respective permits. Procedurally, the transfer for the wells are the same, and we can transfer all the wells in one process.

The following summarizes the necessary next steps:

- The attached Permit Transfer Application Form 7520-7 must be completed by Merit Energy Company and the proposed transferee and submitted to EPA 30 days in advance of the proposed transfer. Since there is more than one well being transferred, a table can be attached to the form listing the wells associated with the transfer.
- A written agreement between the existing permit holder and proposed transferee containing a specific date for transfer of permit responsibility, coverage, and liability between the parties must be attached to the Permit Transfer Application Form.
- The proposed transferee must show evidence of financial responsibility by the submission of a surety bond, or other adequate assurance, such as financial statement or other materials acceptable to the Director.

Regarding the financial responsibility, the basis for the requirement is so that funds are available for EPA to plug the well if ever the well ever becomes abandoned and an operator is no longer available to plug the well. The EPA requires that each individual well maintains its own financial responsibility. Each of the Circle Ridge injection wells currently holds

surety bonds of \$64,000 per well. The individual cost may be increased to adjust for inflation. Ben D'Innocenzo, our financial analyst at EPA, is our financial responsibility expert and will be able to provide additional details and guidance regarding the costs and process for establishing financial responsibility. Ben may be reached by email: [Dinnocenzo.Benjamin@epa.gov](mailto:Dinnocenzo.Benjamin@epa.gov) (cc 'ed on this email) or by phone: 303-312-6342.

Regarding permit/ownership transfer, Chris Brown, in the UIC Permitting Program will be able to process the approval to the permit/ownership transfer after the financial responsibility has been established. Chris may be reached by email: [Brown.Christopher.T@epa.gov](mailto:Brown.Christopher.T@epa.gov) (also cc 'ed on this email). To emphasize, for both the transfer of Rule Authorized and Individual Permits, the transfer application will not be approved until the financial responsibility has been demonstrated by the transferee. Additionally, EPA will not release Merit's bonds until the new operator has established financial responsibility for the well, and the permits/ownership transfer has been completed.

I hope this information helps provide some clarity on the UIC transfer process. Please feel free to reach out if you have any questions on this email.

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